Press Information

Hertz

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FOR RELEASE: A.M.s of Monday, Feb. 23, 1987 CONTACT: Leigh Smith (212) 980-2353

Higher Purchase Prices, Insurance Cited ...

NEW CAR OWNERSHIP & OPERATING OUTLAYS EDGE UP DESPITE SHARP FUEL, AUTO LOAN COST DECLINES

Despite plunging gasoline prices and loan interest rates, 1986 auto ownership and operating expenses rose for the 13th year in the past 14, as typical compact models hit a record 48.48¢ a mile, up 1.8% or .8¢ from 1985's 47.64¢, according to The Hertz Corporation's annual estimates issued today.

Since 1972, the last year before the first Arab oil embargo, outlays to own and run typical U.S. cars tripled, dropping 5.2% only in 1983. By contrast, the nation's overall living costs climbed 162% in the same 14-year period, the rental car company's report noted.

The new Hertz survey lists 1986 increases in insurance, licenses, taxes, fees, maintenance, repairs and depreciation -- the difference between car purchase price and resale value. These offset slight service station and loan cost declines. (Parking and tolls are excluded from the study's costs.)

Typical 1986 compact car purchase prices shot up nearly 6.2% to $10,439 from 1985's $9,834. Purchase price increases can boost depreciation, loan, tax and insurance outlays, the study points out. The 48.48¢ a mile 1986 figure is for a normally-equipped compact make, purchased new and driven 10,000 miles annually for five years-- typical U.S. new car driving.

(more)

The Hertz Corporation
660 Madison Avenue
New York, New York 10021

Car Size, Age, Mileage Change Expenses Significantly

Here is a breakout of costs for compact cars purchased new and driven 10,000 miles a year for five-years, in 1986 and in 1985:

	1986	1985	Change %
Depreciation	0.1660	0.1564	1.0614
Ins.,Lics.,Fees	0.1328	0.1193	1.1132
Interest (P&L)	0.0748	0.0849	-0.0614
FIXED SB.-TOTL.	0.3736	0.3606	1.0361
Maint. & Repair	0.0453	0.0430	1.0535
Gas,Oth.Svc.Stn.	0.0659	0.0728	-0.0948
VARIABLE S/T	0.1112	0.1158	-0.0397
F & V TOTALS	0.4848	0.4764	1.0176

Automotive expenses differ significantly by vehicle size, optional equipment, annual mileage, ownership duration and where autos are driven, the company noted.

In the new report, mid-size models showed the sharpest advance, rising 19% to 56.13¢ a mile from 47.15¢ in 1985. Standard-size autos stayed virtually even at 62.98¢ a mile, 56% above the sub-compact's estimated cost, which fell 1.3% to 40.42 from 40.92 cents a mile.

Here are Hertz's recent per-mile cost estimates for different sized cars bought new and driven 10,000 miles annually for five years:

HERTZ 1978-1986 COST ESTIMATES BY CAR SIZE

Year	1986	1985	'86-5%	1984	1983	1982	1978	'78-86 %
CAR SIZE			Change					Change
Subcompact	.4042	.4092	-1.22%	.3663	.3463	.3418	.2252	+.795
COMPACT	.4848	.4764	1.76%	.4567	.4328	.4467	.2485	+.951
Mid-size	.5613	.4715	19.04%	.4861	.4546	.4902	.2873	+.954
Intermediate	.5464	.5283	4.61%	.5019	.4956	.5009	.2891	+.890
Standard	.6298	.6297	-	.5977	.5542	.5231	.3233	+.948
5-Size AVG.	.5253	.5018	4.68%	.4817	.4567	.4605	.2747	+.831

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Study figures demonstrate that keeping cars longer also can save:

--New 1986 compacts driven 10,000 miles a year but traded annually cost 58.99¢ a mile, while ones run 10,000 miles a year -- for 10 YEARS -- averaged 37.71¢ a mile, some 21.28¢ under costs for annual trading, saving $21,280 over a car's 10-year, 100,000-mile life-span, Hertz' study shows.

--Here are the yearly cost differences --

Year	1	2	3	4	5	6	7	8	9	10
¢ Per Mile	.5899	.5596	.5268	.5014	.4848	.4524	.4278	.4074	.3907	.3771

Also, used cars cost some 40% less than ones bought new.

Hertz data indicate that some three-quarters of all auto outlays for typical driving are in so-called "fixed"or "standing" expenses such as depreciation, interest, insurance, licenses, taxes and fees. These are largely influenced by the car's purchase price and how long the vehicle is driven. "Variable" or "running" costs -- such as gasoline, oil, maintenance, repairs, parts and accessories -- comprise the remaining 25% of the expenditures.

Trading (or selling) a car sooner raises the "fixed" to "variable" cost ratio (to about four-fifths of total charges) while keeping one longer usually lowers it (to roughly two-thirds).

Mileage Inches Back Up

The Hertz data reports that from 1972 to 1983 motorists drove less, kept cars longer and bought smaller vehicles with fewer options, to keep driving outlays within family incomes:

--- From 1972 to 1983, average yearly passenger car mileage dropped 22% from 10,362 to 8,037 miles before turning upward to 8,317 in 1984, 8,586 miles in 1985 and 8,894 last year;
--- Compact cars, rather than intermediates, are now the most typical new models purchased;
--- New cars are now kept an average of 5.2 years against 3.6; and,
--- Average age of all cars is now 7.6 years vs. 5.7 in 1972.

Dollars Per Year Vs. Cents Per Mile

The company's report stressed that variations in annual driving distances also have a material effect on the cents-per-mile costs because annual fixed dollar outlays are divided by more, or fewer, miles.

For the five-year driver, a new 1986 compact's costs ranged from 83.18¢ a mile at 5,000 miles a year to 30.39¢ at an annual 20,000 miles of driving -- 52.89¢ A MILE less!

However, on an ANNUAL dollar basis, 5,000 miles a year totals just $4,164. While 20,000 miles a year comes to $6,078 --$1,914 a year more. The average driving distance for U.S. passenger cars in their first five years of service was 10,520 miles in 1985, latest year for which there are mileage figures.

Driving expenses can vary so dramatically under such a wide array of circumstances that each motorist should figure his or her own outlays, Hertz said. For example, parking and tolls can add 10-40¢ to the 48.48¢ a mile average in major cities, but can vary substantially even for similar autos in the same city if driving patterns differ.

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CITY RANKINGS OF HERTZ' ESTIMATED 1986 COMPACT CAR COSTS TABLE A
For Autos Purchased New & Driven 10,000 Annual Miles For 5 Years

1986 RNK	CITY	1986 ¢P/Mi.	'85 RK	'85 ¢PM	'84 RK	'84 ¢PM	'83 RK	'83 ¢PM	'82 RK	'82 ¢PM	'81 RK	'81 ¢PM	'80 RK	'80 ¢PM	'79 RK	'79 ¢PM
1.	Los Ang.	63.25	1	62.79	1	60.69	1	56.9	1	57.1	1	56.4	1	49.31		39.5
2.	San Fran.	63.17	2	62.66	2	58.16	2	54.6	3	54.3	3	53.2	3	44.94		33.0
3.	N. Y. C.	62.03	3	60.14	3	57.25	3	54.5	2	56.1	2	55.2	2	46.42		39.2
4.	Miami	58.01	5	55.05	6	51.91	6	47.7	8	47.0	7	45.4	6	38.93		33.1
5.	Denver	57.41	4	55.58	4	53.47	4	50.0	4	50.0	4	48.4	4	40.18		29.7
6.	Chicago	55.35	6	54.53	5	52.74	5	49.5	5	49.8	5	47.3	5	39.09		29.5
7.	Seattle	52.60	9	50.48	7	51.57	7	47.5	7	47.6	9	45.3	10	37.6	16	27.7
20-CITY AVG.		52.53		51.59		49.61		46.5		47.2		46.0		38.6		30.0
8.	Atlanta	51.62	11	49.21	9	49.31	13	44.1	11	45.6	8	45.3	8	38.47		30.1
9.	St.Louis	51.58	7	53.41	8	50.58	8	47.1	6	47.9	6	46.4	7	38.46		30.4
10.	Detroit	50.47	14	48.42	10	48.48	9	45.3	10	46.3	11	45.1	17	36.2	13	28.6
11.	Boston	50.32	10	49.73	17	45.10	20	41.6	19	42.2	19	41.5	18	34.9	15	28.0
12.	Houston	50.13	8	50.72	11.	47.58	11	45.0	13	45.6	12	44.7	11	37.15		30.8
13.	Min'polis	49.76	12	48.85	12.	47.53	10	45.3	9	46.4	10	45.2	9	38.3	17	27.6
14.	San Diego	49.58	13	48.83	13.	46.47	15	43.4	20	41.7	20	40.9	20	34.1	19	26.1
15.	Dallas	48.65	18	46.96	15.	45.44	14	43.6	15	44.8	14	44.5	15	36.6	12	28.6
NAT. AVG.		48.48		47.64		45.67		43.3		44.7		43.4		36.4		28.6
16.	P'burgh	47.85	15	47.53	14	45.80	16	43.2	14	45.4	15	43.8	16	36.3	18	26.3
17.	Cleveland	47.75	16	47.48	18	45.08	18	42.3	18	43.1	17	42.5	14	36.8	14	28.0
18.	Wash.D.C.	47.35	19	46.75	19	45.00	19	42.1	16	43.7	16	43.5	13	36.9	11	29.1
19.	C'cinnati	47.21	17	47.48	20	44.65	17	42.7	17	43.6	18	41.8	19	34.3	20	24.4
20.	Milwaukee	46.57	20	46.26	16	45.42	12	44.2	12	45.6	13	44.7	12	36.9	10	29.5

: Slight variations owing to rounding. Major-city costs based on rates in downtown, not surburban, areas. Costs generally are lower in outlying areas. Parking & tolls not included.

Hertz Corp. 3/87

TABLE B

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1986 HERTZ ESTIMATES OF NEW CAR OWNERSHIP & OPERATING COSTS IN KEY U.S. CITIES
(In Cents Per Mile for New Compact-Sized Models Driven 10,000 Miles Per Year And Kept Five Years)

CITY	NAT.AVER.	Atlanta	Boston	Chicago	C'nati	Clvlnd.	Dallas	Denver	Detroit	Dst.Col.	Houston
Purch.Price	$ 10,396	10,343	10,343	10,638	10,343	10,490	10,343	10,550	10,244	10,047	10,343
Depreciation	0.1660	0.1644	0.1644	0.1691	0.1644	0.1668	0.1644	0.1677	0.1629	0.1598	0.1644
Ins.,Lics.,Fees	0.1328	0.1531	0.1558	0.1723	0.1255	0.1283	0.1415	0.2077	0.1517	0.1185	0.1505
Interest Costs	0.0748	0.0809	0.0737	0.0706	0.0816	0.0727	0.0717	0.0858	0.0670	0.0669	0.0778
S/T Fixed Costs	0.3736	0.3984	0.3939	0.4120	0.3715	0.3678	0.3776	0.4612	0.3816	0.3452	0.3927
Maint.& Rep.	0.0453	0.0503	0.0472	0.0521	0.0430	0.0486	0.0493	0.0493	0.0500	0.0535	0.0486
Gas,Oth.Ser.	0.0659	0.0674	0.0621	0.0893	0.0576	0.0611	0.0595	0.0637	0.0731	0.0748	0.0599
Stn.Exp.											
S/T Var.Costs	0.1112	0.1177	0.1093	0.1414	0.1006	0.1097	0.1088	0.1130	0.1231	0.1283	0.1085
F & VAR.TOT.	0.4848	0.5161	0.5032	0.5534	0.4721	0.4775	0.4864	0.5742	0.5047	0.4735	0.5012

CITY	Los Ang.	Miami	Mil'kee	Min'pls.	New York	P'sbrgh.	St.Louis	S'Diego	San Frn.	Seattle	20-CITY AVERAGE
Purch.Price	10,590	10,343	10,343	10,441	10,663	10,441	10,441	10,541	10,590	10,628	10,435
Depreciation	0.1684	0.1644	0.1644	0.1660	0.1695	0.1660	0.1660	0.1676	0.1684	0.1690	0.1659
Ins.,Lics.,Fees	0.2766	0.2215	0.1087	0.1226	0.2450	0.1310	0.1660	0.1378	0.2451	0.1491	0.1654
Interest Costs	0.0788	0.0733	0.0737	0.0838	0.0867	0.0744	0.0655	0.0758	0.0713	0.0747	0.0753
S/T Fixed Costs	0.5238	0.4592	0.3468	0.3724	0.5012	0.3714	0.3975	0.3812	0.4848	0.3928	0.4067
Maint.& Rep.	0.0472	0.0486	0.0476	0.0542	0.0542	0.0451	0.0549	0.0495	0.0658	0.0521	0.0506
Gas,Oth.Ser.	0.0615	0.0723	0.0712	0.0710	0.0648	0.0620	0.0634	0.0652	0.0811	0.0811	0.0681
Stn.Exp.											
S/T Var.Costs	0.1087	0.1209	0.1188	0.1252	0.1190	0.1071	0.1183	0.1147	0.1469	0.1332	0.1187
F & VAR.TOT.	0.6325	0.5801	0.4656	0.4976	0.6202	0.4785	0.5158	0.4959	0.6317	0.5260	0.5253

TABLE B 3/86

1985 HERTZ ESTIMATES OF NEW CAR OWNERSHIP & OPERATING COSTS IN KEY U.S. CITIES

(In Cents Per Mile for New Compact-Sized Models Driven 10,000 Miles Per Year And Kept Five Years)

CITY	NAT.AVER.	Atlanta	Boston	Chicago	C'nati	Clvlnd.	Dallas	Denver	Detroit	Dst.Col.	Houston
Purch.Price	$ 9,834	9,716	9,748	10,026	9,748	9,887	9,748	9,896	9,665	9,841	9,748
Depreciation	0.1564	0.1545	0.1550	0.1594	0.1550	0.1572	0.1550	0.1574	0.1535	0.1565	0.1550
Ins.,Lics.,Fees	0.1193	0.1382	0.1443	0.1670	0.1038	0.1232	0.1141	0.1877	0.1317	0.1065	0.1489
Interest Costs	0.0849	0.0838	0.0815	0.0889	0.0874	0.0827	0.0825	0.0908	0.0759	0.0799	0.0855
S/T Fixed Costs	0.3606	0.3765	0.3808	0.4153	0.3462	0.3631	0.3516	0.4359	0.3611	0.3429	0.3894
Maint.& Rep.	0.0430	0.0400	0.0434	0.0477	0.0398	0.0377	0.0435	0.0434	0.0429	0.0487	0.0442
Gas,Oth.Ser.	0.0728	0.0756	0.0731	0.0823	0.0790	0.0740	0.0745	0.0765	0.0802	0.0759	0.0736
Stn.Exp.											
S/T Var.Costs	0.1158	0.1156	0.1165	0.1300	0.1188	0.1117	0.1180	0.1199	0.1231	0.1246	0.1178
F & VAR.TOT.	0.4764	0.4921	0.4973	0.5453	0.4650	0.4748	0.4696	0.5558	0.4842	0.4675	0.5072

CITY	Los Ang.	Miami	Mil'kee	Min'pls.	New York	P'sbrgh.	St.Louis	S'Diego	San Frn.	Seattle	20-CITY AVERAGE
Purch.Price	9,977	9,748	9,748	9,841	10,050	9,841	9,841	9,930	9,930	10,008	9,847
Depreciation	0.1586	0.1550	0.1550	0.1565	0.1598	0.1565	0.1565	0.1579	0.1579	0.1591	0.1566
Ins.,Lics.,Fees	0.2482	0.1917	0.1044	0.1156	0.2233	0.1219	0.1648	0.1249	0.2180	0.1391	0.1509
Interest Costs	0.0854	0.0835	0.0825	0.0943	0.0902	0.0874	0.0875	0.0840	0.0932	0.0817	0.0854
S/T Fixed Costs	0.4922	0.4302	0.3419	0.3664	0.4733	0.3658	0.4088	0.3668	0.4691	0.3799	0.3929
Maint.& Rep.	0.0557	0.0416	0.0406	0.0445	0.0482	0.0410	0.0505	0.0435	0.0693	0.0470	0.0457
Gas,Oth.Ser.	0.0800	0.0787	0.0801	0.0776	0.0799	0.0685	0.0747	0.0780	0.0883	0.0779	0.0774
Stn.Exp.											
S/T Var.Costs	0.1357	0.1203	0.1207	0.1221	0.1281	0.1095	0.1252	0.1215	0.1576	0.1249	0.1231
F & VAR.TOT.	0.6279	0.5505	0.4626	0.4885	0.6014	0.4753	0.5341	0.4883	0.6266	0.5048	0.5159

NOTE: LAST YEAR'S TABLE FOR CITY BY CITY COMPARISON

TABLE C HERTZ '86 ESTIMATES OF COSTS OF NEW CARS DRIVEN 5 YEARS FOR 10,000 MILES PER YEAR (In Cents-Per-Mile)

City	CAR SIZES Sub-compact	Compact	Mid-Size	Inter-mediate	Standard
Atlanta	43.03	51.61	59.75	58.17	67.05
Boston	41.95	50.32	58.26	56.71	65.37
Chicago	46.14	55.34	64.07	62.37	71.89
Cincinnati	39.36	47.21	54.66	53.21	61.33
Cleveland	39.81	47.75	55.28	53.82	62.03
Dallas	40.55	48.64	56.32	54.82	63.19
Denver	47.87	57.42	66.48	64.72	74.59
Detroit	42.08	50.47	58.43	56.88	65.57
Dist. of Col.	39.48	47.35	54.82	53.37	61.51
Houston	41.79	50.12	58.03	56.49	65.11
Los Angeles	52.73	63.25	73.23	71.29	82.17
Miami	48.37	58.01	67.16	65.38	75.36
Milwaukee	38.82	46.56	53.91	52.48	60.49
Minneapolis	41.49	49.76	57.61	56.08	64.64
New York City	51.71	62.02	71.81	69.90	80.57
Pittsburgh	39.89	47.85	55.40	53.93	62.16
St. Louis	43.00	51.58	59.72	58.13	67.01
San Diego	41.35	49.59	57.42	55.89	64.42
San Francisco	52.67	63.17	73.14	71.20	82.06
Seattle	43.86	52.60	60.90	59.28	68.33
'86 20-CITY AVG.	43.80	52.53	60.82	59.21	68.24
'86 NAT. AVG.	40.42	48.48	56.13	54.64	62.98
'85 NATIONAL AVG.	40.92	47.64	47.15	52.23	62.97
'85 20-CITY AVG.	44.32	51.59	51.06	57.21	68.20

NOTES: Costs in cents-per-mile assume NEW 1986 cars as described in notes, assumptions in constant 1986 dollars. For APPROXIMATE costs for other distances divide compact auto's expense in desired city by the NATIONAL AVERAGE (48.48¢ per mile) and then multiply the result by the C/P/M figure in the 'Constant Miles Per Year' columns of TABLE I. of NATIONAL averages release originally issued 2/23/87 Hertz Corp. 3/87

TABLE 1A The Hertz Corp. 2/87

HERTZ ESTIMATES OF 1986 NEW CAR OWNERSHIP & OPERATING COSTS

Years Use	<-SUB-COMPACT->	<-------'COMPACT'-------->				INTER-MEDIATE	STAN-DARD
	<- At CONSTANT Annual Mileages -> (in cents per mile)						
	10000	5000	8894	10000	20000	10000	10000
1	0.4827	1.0451	0.6375	0.5899	0.3447	0.6616	0.7781
2	0.4606	0.9826	0.6069	0.5596	0.3304	0.6286	0.7346
3	0.4359	0.9129	0.5756	0.5268	0.3188	0.5926	0.6887
4	0.4165	0.8704	0.5488	0.5014	0.3103	0.5645	0.6532
5	0.4042	0.8328	0.5283	0.4848	0.3039	0.5464	0.6298
6	0.3837	0.7678	0.4915	0.4524	No Data	0.5109	0.5861
7	0.3601	0.7146	0.4635	0.4278	Over	0.4841	0.5528
8	0.3443	0.6736	0.4418	0.4074	100,000	0.4617	0.5251
9	0.3315	0.6384	0.4228	0.3907	Miles	0.4434	0.5025
10	0.3210	0.6121	0.4059	0.3771	----	0.4285	0.4840

HISTORICAL COMPARISONS OF NEW 'INTERMEDIATE' SIZE CAR

	<-@ Estimated Varying Mileage Yearly->				<-@ Constant 10,000->		
	3-Year		10-Year		MILES PER YEAR		AVG.COST
	Average Annual Mileage	Use Cost Cents-Per-Mile	Average Annual Mileage	Use Cost Cents-Per-Mile	3 Yr. Use Cost	10-Yr. Use Cost	Of 3-Yr. Use In Constant
Year	C.P.M.	$ P.Y.	M.P.Y.	C.P.M.	$ P.Y.		(1985) $
1925E	5835	0.1690	Not Available		0.1150	N/A	0.7183
1950	12771	0.0930	9032	0.0800	0.1090	0.0770	0.4956
1960	13497	0.1220	9545	0.0980	0.1440	0.0950	0.5323
1970	14267	0.1470	10090	0.1210	0.1900	0.1220	0.5357
1971	14567	0.1430	10280	0.1190	0.1870	0.1210	0.5055
1972	14652	0.1510	10362	0.1210	0.1970	0.1240	0.5155
1973	13570	0.1620	9597	0.1340	0.2020	0.1310	0.4976
1974	12300	0.2070	8732	0.1710	0.2380	0.1590	0.5284
1975	12561	0.2320	8901	0.1890	0.2720	0.1770	0.5899
1976	11885	0.2480	9015	0.2010	0.2810	0.1790	0.5410
1977	12127	0.2620	9199	0.2080	0.3010	0.2000	0.5438
1978	12082	0.2910	9165	0.2310	0.3310	0.2200	0.5557
1979	11666	0.3400	8850	0.2870	0.3800	0.2640	0.5737
1980	10841	0.4150	8224	0.3450	0.4400	0.3100	0.6103
1981	10652	0.4860	8081	0.4080	0.5090	0.3590	0.6429
1982	10594	0.5168	8037	0.4370	0.5400	0.3831	0.6167
1983	10963	0.4986	8317	0.4247	0.5338	0.3810	0.5911
1984	11318	0.4887	8586	0.4208	0.5377	0.3827	0.5675
1985	11724	0.5048	8894	0.4437	0.5684	0.4149	0.5783
1986	11724	0.5247	8894	0.4582	0.5926	0.4285	0.5926

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HERTZ ESTIMATES OF 1986 MODEL NEW
PASSENGER CAR OWNERSHIP & OPERATING COSTS

Years Used	'COMPACT' MODEL AVERAGES At CONSTANT 8894 M.P.Y. ¢.P.M.	$ P.Y.	8,894 Miles AVERAGING Over 10-Yr.Period M.P.Y.	AVERAGES At DECLINING Annual 8894 ¢.P.M.	$ P.Y.
1	0.6375	5,669.61	13,528	0.4606	6,231.00
2	0.6069	5,397.79	12,506	0.4681	5,854.55
3	0.5756	5,119.50	11,724	0.4651	5,452.29
4	0.5488	4,880.60	10,978	0.4663	5,119.55
5	0.5283	4,699.02	10,520	0.4663	4,905.68
6	0.4915	4,371.53	10,213	0.4453	4,547.89
7	0.4635	4,122.63	9,963	0.4260	4,244.61
8	0.4418	3,777.45	9,687	0.4152	4,022.16
9	0.4228	3,760.63	9,356	0.4078	3,815.38
10	0.4059	3,609.79	8,894	0.4059	3,609.79

NOTE: Above Costs Are AVERAGES For Varying Use/Mileage Periods; those below are for each INDIVIDUAL year.

CURRENT 1985 DATA 'COMPACT' CAR EXPENSES

Year of Use	YEARLY Costs & Mileages for Various Ownership Periods (Not AVERAGES for ALL Years As Listed Above.) AVERAGES At CONSTANT 8894 YEARLY Mileages ¢.P.M.	$ P.Y.	8,894 AVERAGES At Listed DECLINING YEARLY Mileages AVERAGING 8894 M.P.Y.	¢.P.M.	$ P.Y.
1	0.6375	5,669.61	13,578	0.4606	6,231.00
2	0.5763	5,125.97	11,474	0.4770	5,478.10
3	0.5130	4,562.92	10,150	0.4575	4,647.77
4	0.4682	4,163.90	8,730	0.4715	4,121.33
5	0.4467	3,972.70	8,688	0.4662	4,050.20
6	0.3074	2,734.08	8,668	0.3179	2,758.94
7	0.2956	2,629.23	8,453	0.2865	2,424.93
8	0.2897	2,576.55	7,755	0.3179	2,465.01
9	0.2710	2,410.71	6,708	0.3222	2,161.14
10	0.2532	2,252.23	4,736	0.3715	1,759.48
Tot.	0.4059	3,609.79	8,894	0.4059	3,609.79

Slight variations owing to rounding.

BREAKOUT OF HERTZ OWNERSHIP & OPERATING COST ESTIMATES FOR SELECTED CARS 1/87
Average Expenses For Various Years Of Ownership at 10,00 Miles A Yea Table II

Model Year:	1986					
Purchase Price	$10,439			$ 11,572		
Car Size	Compact			Intermediate		
Years Kept	3-Yr.	5-Yr.	10-Yr.	3-Yr.	5-Yr.	10-Yr.
Depreciation	0.2175	0.1660	0.1023	0.2411	0.1840	0.1134
Ins.,Lics.,Fees	0.1328	0.1328	0.1159	0.1434	0.1434	0.1252
Interest (P&L)	0.0697	0.0748	0.0374	0.0773	0.0829	0.0414
FIXED SB.-TOTL.	0.4200	0.3736	0.2556	0.4618	0.4103	0.2800
Maint. & Repair	0.0410	0.0453	0.0552	0.0484	0.0534	0.0651
Gas,Oth.Svc.Stn.	0.0658	0.0659	0.0663	0.0824	0.0827	0.0834
VARIABLE S/T	0.1068	0.1112	0.1215	0.1308	0.1361	0.1485
F & V TOTALS	0.5268	0.4848	0.3771	0.5926	0.5464	0.4285

Model Year:	1985						1984			
Purchase Price	$ 9,834			$ 10,509			$9,113		$10,103	
Car Size	Compact			Intermediate			Compact		Intermediate	
Years Kept	3-Yr.	5-Yr.	10-Yr.	3-Yr.	5-Yr.	10-Yr.	5-Yr.	10-Yr.	3-Yr.	10-Yr.
Depreciation	0.2049	0.1564	0.0964	0.1934	0.1645	0.1199	0.1458	0.0893	0.2122	0.0990
Ins.,Lics.,Fees	0.1193	0.1193	0.1041	0.1138	0.1268	0.1311	0.1084	0.0932	0.1156	0.0995
Interest (P&L)	0.0789	0.0849	0.0425	0.0745	0.0894	0.0529	0.0917	0.0459	0.0929	0.0508
FIXED SB.-TOTL.	0.4031	0.3606	0.2430	0.3817	0.3807	0.3039	0.3459	0.2284	0.4207	0.2493
Maint. & Repair	0.0390	0.0430	0.0525	0.0487	0.0538	0.0622	0.0387	0.0472	0.0395	0.0550
Gas,Oth.Svc.Stn.	0.0726	0.0728	0.0732	0.0876	0.0878	0.0882	0.0721	0.0726	0.0776	0.0784
VARIABLE S/T	0.1116	0.1158	0.1257	0.1363	0.1416	0.1504	0.1108	0.1198	0.1171	0.1334
F & V TOTALS	0.5147	0.4764	0.3687	0.5180	0.5223	0.4543	0.4567	0.3482	0.5378	0.3827

Model Year:	1983				1982		1981	
Purchase Price	$8,358		$9,770		$8,102		$9,397	$7,621	$8,326
Car Size	Compact		Intermediate		Compact		Intermediate	Comp.	Inter.
Years Kept	5-Yrs.	10-Yrs	3-Yrs.	10-Yrs.	5-Yrs	10-Yrs	3-Yrs 10-Yrs	5-Yrs.	3-Yrs.
Depreciation	0.1371	0.0819	0.2117	0.0957	0.1329	0.0794	0.2034 0.0920	0.1311	0.1943
Ins.,Lics.,Fees	0.0998	0.0859	0.1062	0.0915	0.0980	0.0843	0.1036 0.0692	0.0907	0.0941
Interest (P&L)	0.0766	0.0383	0.0823	0.0448	0.0967	0.0483	0.1007 0.0560	0.0969	0.0885
FIXED SB.-TOTL.	0.3134	0.2061	0.4002	0.2320	0.3275	0.2121	0.4076 0.2372	0.3187	0.3769
Maint. & Repair	0.0355	0.0422	0.0395	0.0536	0.0342	0.0407	0.0349 0.0473	0.0276	0.0300
Gas,Oth.Svc.Stn.	0.0838	0.0846	0.0941	0.0954	0.0849	0.0857	0.0971 0.0986	0.0879	0.1020
VARIABLE S/T	0.1193	0.1268	0.1336	0.1490	0.1191	0.1264	0.1320 0.1459	0.1155	0.1320
F & V TOTALS	0.4328	0.3329	0.5338	0.3810	0.4467	0.3384	0.5395 0.3831	0.4342	0.5089

Model Year:	1980		1979		1978	1975	1974	1973	1972	
Purchase Price	$6,454	7,129	5,079	6,161	5,578	4,676	3,934	3,493	$3,425	
Car Size	Comp.	Inter.	Comp.	Inter.	Inter.	Inter.	Inter.	Inter.	Intermediate	
Years Kept	5	3	5	3	3	3	3	3	3	10
Depreciation	0.1123	0.1711	0.0884	0.1561	0.1422	0.1262	0.1062	0.0943	0.0924	0.0326
Ins.,Lics.,Fees	0.0813	0.0848	0.0643	0.0790	0.0698	0.0388	0.0370	0.0350	0.0342	0.0245
Interest (P&L)	0.0647	0.0643	0.0418	0.0460	0.0413	0.0331	0.0246	0.0203	0.0198	0.0110
FIXED SB.-TOTL.	0.2583	0.3202	0.1945	0.2810	0.2533	0.1981	0.1678	0.1496	0.1464	0.0681
Maint. & Repair	0.0252	0.0268	0.0229	0.0248	0.0231	0.0191	0.0182	0.0177	0.0173	0.0234
Gas,Oth.Svc.Stn.	0.0807	0.0929	0.0681	0.0740	0.0548	0.0546	0.0520	0.0344	0.0337	0.0330
VARIABLE S/T	0.1059	0.1197	0.0910	0.0988	0.0779	0.0737	0.0702	0.0521	0.0510	0.0564
F & V TOTALS	0.3642	0.4399	0.2855	0.3798	0.3312	0.2718	0.2380	0.2017	0.1974	0.1244

Slight Variations Owing To Rounding

TABLE III

YEARLY & 'LIFETIME' COSTS OFINTERMEDIATE-SIZE CAR BOUGHT NEW IN 1977 AND DRIVEN 10,000 MPY & SCRAPPED IN 1986

Some (Data from Hertz Car Ownership & Operating Costs Studies Over Past Decade, in Cents-Per-Mile)

Car Purchase Price: $ 4,958											
Car Age In Years (Use Period)	1	2	3	4	5	6	7	8	9	10	10-Year Average
Calendar Year	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	
Depreciation (purchase price share	0.1641	0.1329	0.1016	0.0536	0.0102	0.0096	0.0089	0.0069	0.0052	0.0032	0.0496
Insur., Licsns., Fees	0.0608	0.0698	0.0790	0.0790	0.0825	0.0616	0.0640	0.0664	0.0699	0.0769	0.0710
Interest Paid & Lost	0.0282	0.0308	0.0334	0.0364	0.0583	0	0	0	0	0	0.0187
Sub-Total 'Fixed' or Standing Expenses	0.2531	0.2335	0.2140	0.1690	0.1510	0.0712	0.0729	0.0733	0.0751	0.0801	0.1393
Maintenance, Repairs	0.0161	0.0254	0.0286	0.0319	0.0371	0.0412	0.0497	0.0538	0.0591	0.0795	0.0422
Gasoline & Other Service Station Charges	0.0551	0.0548	0.0744	0.0935	0.1176	0.1185	0.1182	0.1197	0.1190	0.1123	0.0983
Sub-total Variable or Running Charges	0.0712	0.0802	0.1030	0.1254	0.1547	0.1597	0.1679	0.1735	0.1781	0.1918	0.1406
Total Fixed & Variable Expenses PER YEAR	0.3243	0.3137	0.3170	0.2944	0.3057	0.2309	0.2408	0.2468	0.2532	0.2719	0.2799
AVERAGE Annual Costs For Years Held	0.3243	0.3190	0.3183	0.3124	0.3110	0.2977	0.2895	0.2842	0.2808	0.2799	
AVERAGE Costs in '76	0.3243	0.2832	0.2652	0.2418	0.2165	0.1904	0.1686	0.1497	0.1434	0.1362	0.2119
ANNUAL Costs '76 $s	0.3243	0.2785	0.2641	0.2279	0.2128	0.1477	0.1402	0.1300	0.1293	0.1323	0.1987
YR.1 New Car Costs In Each Year**	0.3243	0.3858	0.4014	0.4659	0.5134	0.5801	0.5783	0.5899	0.6280	0.6616	
Cents Per Mile DIFFERENCE Keeping Old Car Vs. Trading For New One	----	0.0721	0.0844	0.1715	0.2077	0.3492	0.3375	0.3431	0.3748	0.3897	

NOTE: Figures in this and other Hertz car ownership
** studies reflect estimates for typical cars, typically-equipped and driven typical mileages by typical new-car-buying families.

SUMMARY: 1973-86 DOMESTIC AUTOMOBILE SIZE/PRICE CHANGES

CAR SIZE	*'Sub-compact'	'Com-pact'	'Mid-Size'	'Inter-mediate'	'Standard'
Example Model:	*Escort	Tempo LX4	Mustang GT	T'Bird V6	Crown Victoria
'86 LIST Price $	8,228.65	10,396.00	12,690.00	11,257.00	13,896.00
Wheelbase(")	94	100	101	104	114
Total Length(")	167	176	179	198	211
Weight(lbs.)	2,153	2,398	3,044	3,089	3,748
Price Per Lb. $	3.82	4.34	4.17	3.64	3.71
		Change Vs.1984			
Weight Lbs.	7	(45)	380	88	18
Length Inches	3	0	0	1	0
Price $	323.65	598.00	3,864.00	1,003.00	609.00
Price Pctg.	0.047	0.066	0.407	0.101	0.049
		Change Vs.1973			
Weight Lbs.	(63)	(359)	(185)	(689)	(544)
Length Inches	2	(7)	(15)	(14)	(9)
Price $	5,286.65	7,311.00	8,988.00	7,350.00	9,649.00
Price Pctg.	1.797	2.370	2.428	1.881	2.272
'85 LIST Price $	7905	9798	8826	10254	13287
Wheelbase(")	94	100	101	106	114
Total Length(")	164	176	179	197	211
Weight(lbs.)	2146	2443	2664	3001	3730
Price Per Lb. $	3.68	4.01	3.31	3.42	3.56
'84 LIST Price $	6822	9064	9496	9898	12379
Length	164	176	179	197	211
Weight	2146	2443	2664	3001	3730
'83 LIST Price $	6,330	8,504	8,721	9,732	11,472
Length	164	196	179	197	211
Weight	2016	2824	2700	2981	3748
'82 LIST Price	5,822	8,180	9,098	9,683	9,857
Length	164	196	197	200	209
Weight	2011	2778	2941	3169	3602
'81 LIST Price	5417	7714	8195	8802	9023
Length	164	196	197	200	209
Weight	1987	2724	2948	3167	3602
'80 LIST Price	6042	6464	7106	7708	8781
Length	171	196	200	200	209
Weight	2488	2688	3250	3262	3584
'79 LIST Price	5004	5370	6265	6738	7793
Length	169	194	198	216	209
Weight	2449	2682	3249	3910	3611
'78 LIST Price	4647	5061	5759	6031	6379
Length	169	194	194	216	224
Weight	2425	2748	3349	4056	4266
'75 LIST Price	3622	4230	4979	5089	5515
Length	166	187	194	218	224
Weight	2581	2891	3243	4258	4502
'74 LIST Price	3304	3518	3857	4257	4870
Length	166	187	194	215	222
Weight	2443	2852	2964	4038	4302
'73 LIST Price	2942	3085	3702	3907	4247
Wheelbase	94	103	109	118	121
Length	165	183	194	212	220
Weight	2216	2757	3229	3778	4292
Price Per Lb. $	1.33	1.12	1.15	1.03	0.99

*NOTE: Size classifications are arbitrary. Car names have changed.

DETAILS OF 1986 HERTZ COST ESTIMATE CALCULATIONS

1. MODELS USED: Sub-compact, Escort; Compact, Tempo LX4; Mid-size, Mustang GT; Intermediate, Thurnderbird V6; Standard, Crown Victoria. Discounts assumed: Sub-compact, 8.00%; Compact, 5.25%; Mid-size, 3.75%; Intermediate, 3.00%; Standard, 1.5%. Sales Tax assumed: 5.975%. PURCHASE Prices resulting: Sub-compact, $8023; Compact, $10439 Mid-size, $12,9445; Intermediate, $11,572; Standard, $14,506.

2. DEPRECIATION rates are estimated averages. Rates may vary widely from year to year or model to model, depending on a variety of factors including inflation, optional equipment and public perception of retained value; but over the years have been relatively consistent. Aggregate rates used are--1 year, 28.5%; 2 years, 49%; 3, 62.5%; 4, 72%; 5, 79.5%, 6, 85.5%; 7, 90%; 8, 93.5; 9, 96%; 10, 98%. Abormally high or low mileage-per-year also will produce depreciation-rate variations of 1 to 3 cents a mile.

NOTE: No future inflation assumption is included; so-called "constant dollar figures are used. Therefore, inflation may alter longer-term ownership and operation expenses; however, inflation would also contribute to higher future new car purchase prices, so true depreciation is simply "postponed". Special Table shows 1977-model 10-year expenses reflecting automotive inflation for a decade. Depreciation usually is lower with high inflation, higher with low; other charges are normally higher than Hertz estimates.

3. INSURANCE based on $250,000/$500,000/$50,000 liability, $500 comprehensive and collision deductible. (Deductible has been increased over the years to reflect Hertz' attempt to estimate typical expenses for typical new-car-buying families with one or two youthful drivers, so comparisons from year to year are not precisely the same. Estimates assume full insurance is retained for duration of car loan; then, if car is kept longer, comprehensive-collision is dropped, only liability is retained.

4. INTEREST. For Ownership Periods up to five years, car loans are assumed to be for periods equal to ownership term -- e.g., 3-year loan for 3-year ownership, 5-year loan for 5-year ownership. For longer use, 5-year loan is maximum. (Before 1980 when 5-year loans became readily available, 4-years was maximum.) Loans are assumed to be 2/3rds of purchase price; cash down payment 1/3rd. Interest-LOST on down payment assumed only for loan duration. Interest assumes MONTHLY loan REPAYMENTS, QUARTERLY COMPOUNDING on interest lost, as follows: Year 1, 11.13% paid, 7.22% lost; Year 2, 11.17%, 7.27%; Year 3, 11.22, 7.46; Year 4, 11.33, 7.39; Year 5, 111.37%, 7.46%.

5.FUEL-EFFICIENCY & MAINTENANCE cost estimates are based on Hertz experience, NOT on government, manufacturer or industry data. Estimates do not EQUAL Hertz costs, since study is intended to reflect expenses incurred by INDIVIDUAL drivers to help calculate outlays for personal autos. Hertz estimates also assume full, complete, proper, professional maintenance (which some motorists may not perform at intervals specified) rather than on "do-it-yourself" prices. Nevertheless, slight annual fuel-efficiency reductions are assumed in calculating gasoline costs.

6.Tolls & Garaging are excluded since these expenses can fluctuate widely even within the same geographical area, depending upon driving patterns, routes, etc. Such charges, however, are almost never "nothing." If a car is parked in the owner's GARAGE, for example, technically, a pro-rata expense (based on the garage size), should be applied. TOLLS can also make a substantial cost difference for commuters: two next-door neighbors driving equal distances to work in similar cars might have a 2-5c-a-mile variation. Major-city, mid-town PARKING likewise might add 5-25c-a-mile.

7.MODELS SELECTED. Calculations are for typical cars, equipped typically, driven typical MILEAGE and kept typical yearly PERIODS. Major options ordered by most buyers are included on most models, such as automatic transmission, power steering and brakes, tinted glass and air conditioning. Those MOST TYPICAL mileages and use durations are featured, but OTHER mileages and periods are also LISTED. This is to illustrate the substantial cents-per-mile and dollars-per-year cost VARIATIONS which different annual mileages and different use periods alone can produce.

8.CENTS-PER-MILE Vs. DOLLAR-PER-YEAR COSTS.Many drivers prefer CENT-PER-MILE car cost estimates (for tax or employer/reimbursement reasons), but DOLLAR-PER-YEAR figures are better. Tables illustrate that HIGH yearly mileages produce LOWer cent-per-mile expenses simply because so-called "fixed," or standing, charges such as insurance, taxes, licenses and interest are thus spread over more miles each year. STUDIES EXPRESSING COSTS FOR HIGH ANNUAL MILEAGE IN CENTS-PER-MILE TERMS RATHER THAN DOLLARS-PER-YEAR, MAY THEREFORE BE MISLEADING.

Example: A compact model driven 10,000 miles a year costs 48.48¢ a mile (over the now-most-typical 5-year use), equal to $4,848 a year. At 20,000 miles a year, PER-MILE charges fall to 30.39¢. But ANNUAL DOLLAR COSTS soar to $6077. Conversely, at just 5,000 miles a year, PER-MILE outlays were 83.28¢ for '86 but only $4147 ANNUALLY. The estimated national average mileage in 1986 was 8,894 per-car per-year and the 5-year compact model expenditures at THAT travel rate are 51.84¢ a mile and $4,610 a year.

9.CONSTANT ANNUAL MILEAGE. Owing to statistical aberrations, some studies indicate that mileage on new cars is higher in their earlier years of ownership, lower later, The reporting of such costs on a cents-per-mile AND a declining annual mileage basis, can SERIOUSLY MISLEAD motorists. Such presentations mask the fact that longer car ownership normally reduces both cents-per-mile AND dollars-per-year costs. This is because, for most domestic cars purchased new, DEPRECIATION is higher in the car's first years, less as it ages. Keeping a car after a loan is repaid results in lower average INTEREST, too; AND, collision and comprehensive INSURANCE may be dropped after loan repayments end. (For similar reasons, cars bought used traditionally cost less to own and run than new ones.)

Example: The study table for compact models shows that at the constant national average of 8,894 miles a year typical costs drop from 62.25¢ a MILE--or $5536 a YEAR--for cars traded annually to 40.01¢ ($3558 a year) if the car is kept 10 years. However, if ANNUAL mileage declines each year (as one government report claims), cents-per-mile outlays are distorted to appear "flattened". They start at 45.07¢for 13,528 miles assumed run the FIRST year, climb to 46.59¢ for 8,688 miles assumed traveled the FIFTH year, and are 37.15¢ for 4,736 miles assumed run in the 10TH.

10. AVERAGE AND ANNUAL OUTLAYS. Selected costs are itemized for EACH YEAR as well as AVERAGE costs for varying terms of years a car may be kept. ANNUAL costs, especially, show the substantial expense-decline after a car loan is repaid and insurance is cut; the Hertz study figures show that even though fuel and maintenance expenditures climb in later years after high mileage, these "running" charges almost never rise as fast as the fixed or "standing" charges drop. Thus, TOTAL average outlays almost always decline as a car ages. The Hertz Corp. 2/87 # # # #